

Tender Subject: BPM Top Drive Main Shaft



Tender No: 2024- 11307

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Oil Exploration Operation Company

TWO-Stage Public Tender Documents for

BPM Top Drive Main Shaft

Tender No. : 2024- 11307

Date: July 2024

It was read and accepted.



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It was read and accepted.

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Call for Tender

It was read and accepted.

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To All Bidders

Oil Exploration Operation Company (hereinafter referred to as Company) intends to award the Purchase Order (hereinafter referred to as PO) of the mentioned items in documents to a well-known and qualified Manufacturer or Supplier through a competitive **Two-stage public** tender.

Bidders are hereby invited to participate in the tender for the supply of the goods mentioned in this documents.

After studying all of the tender documents thoroughly, please submit your proposals based on the terms and conditions specified in these documents to the address below within the specified deadline.

Note- If you choose not to participate in the current tender, kindly provide your reasons in writing and submit them to us. Failure to do so will result in the removal of your name from our tender vendor list.

Address: *Secretariat of Transaction Commission Unit No. 234, Taleghani Street, Tehran, Iran*

**Yours Truly
M. Farhadi
Procurement Manager**

It was read and accepted.

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Terms for Participation in the Tender

It was read and accepted.



Article 1- Subject of Tender

1-1-This tender invites qualified and experienced companies to submit proposals for the supply of **BPM Top Drive Main Shaft**. The selected contractor will be responsible for supplying goods, adhering to specified technical requirements, and delivering high-quality results within the stipulated timeframe. Interested parties are invited to participate and provide comprehensive proposals addressing the outlined project specifications and conditions. Additional details and information are provided within the tender document.

1-2- The Total Amount of the subject tender is subject to variation order which may be issued by Company. Company shall have the right to advise Supplier in writing to modify the quantities and/or volumes of the tender items (including any increase and/or decrease) within a range of - 25 % (as floor) and + 25 % (as ceiling) of the Total Amount at the unit price mentioned in this tender.

Article 2- Bid Guarantee in the Tender

2-1- The Bidder shall submit a legally approvable SAYAD cheque as Bid Guarantee in the amount of **1.000.000.000 Rials with the** tender number **2024- 11307** in the name and for the benefit of the Company or shall deposit the cash amount into the specified bank account as a bid guarantee in the Tender in enclosed Envelope A.

Note- If the Bidder has due payments from the Company, the Bidder can submit the Company's confirmation letter as a bid guarantee in the Tender.

(account number: 309110101600001, IBAN: IR730570030911010160000001, Pasargad Bank, Baharestan Branch, Branch Code: 5703091 in the name of Oil Exploration Operations Company).

2-2- The proposals without the bid guarantee will not be considered.

2-3- If the winner abstain to submit the performance guarantee or refuse to sign and execute of PO or fulfill it under the conditions specified in the tender documents or PO the Tender guarantee will be confiscated without legal formalities and according to discretion of Transaction Committee, the PO may be awarded to the second winner Bidder and In the case of abstain to submit performance guarantee or to sign the purchase order agreement with printing its terms and conditions, second winner's guarantee will be confiscated without legal formalities as well according to discretion of Transaction Committee.

Note- Before signing the PO and submitting the performance guarantee by the first winner, or upon expiration of the proposal validity period, the second winner's Bid guarantee in the tender will not be returned.

Article 3- Specifications of Envelopes

After preparation the bid guarantee in the tender and completion the commercial offer (Annex C) and other sections of the tender documents, the Bidders shall read all pages of the tender documents from beginning to end entirely and parti and sign them and then categorize and send the documents in paper copy and hard copy (CD) to the company, otherwise, the proposals that send, not be considered valid:

3-1- **Envelope A:** The Envelope A shall contain the guaranteeas referred in Article 2 and filled file and cover letter in Annex A.

It was read and accepted.



3-2- **Envelope B:** The contents of Envelope B shall include the following items:

- a. A copy of the tender documents, purchase order agreements, and their attachments with "It was read and accepted" sentence on all pages, signed and stamped by the legal authorities of Bidder
- b. Unpriced Commercial Offer.
- c. submission of the following documents shall be based on the requirements and type of tender:

	Optional	Mandatory
1 Identification card	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2 Statement of registration on sana.adliran.ir (Iranian Case)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 Business License or Registration document	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Certification of registration in tax organization (Iranian Case)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 Articles of incorporation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Statement of last changes	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Completed technical offers including but not limited to executive experiences in the relevant field of tender, documents demonstrating creativity and innovation, documents demonstrating possessing equipment, machinery and facilities for carrying out the tender subject, documents demonstrating efficient management, having executive competence, positive knowledge documents, certificate of origin, work permits or competency certificate, list of the key personnel and any other documents that prove the ability of the Bidder to do the subject of the tender.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Experiences and previous records in similar subject.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9 Declaration of satisfaction and recommendation from previous client or the Company.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10 Reports and credentials are demonstrative of the commercial and technical capability.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Documents related to the introduction of the owners of signature rights with their sample signatures.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Note 1: In a two-stage tender process, the Bidder is required to place all mandatory documents from 1 to 10 in envelope B. The technical evaluation of bids will be conducted according to the TBE schedule referenced in Annex B.

Note 2: In an one-stage tender process, the Bidder is required to place all mandatory documents from 1 to 10 in envelope B. In an one-stage tender process, there is no TBE procedure. However, failure to include the specified documents in their submission will result in the rejection of the Bidder's offer.

3-3- **Envelope C:** Envelope C shall contain Commercial Offer and the tender rate table.

Note 1: The commercial offer should be exactly as per the tender document. Otherwise it will be rejected.

Note 2: All declared amounts shall be stated in both numerals and words and readable without any erasure. This offer shall be gross and - include but not limited- insurance, taxes, transportation costs, fees, customs expenses and transportation costs.

It was read and accepted.



3-4- The Bidder shall consider all current and future conditions when entering into a PO and cannot use any excuse or reference to lack of equipment and materials in the future.

3-5- After opening commercial proposals (envelope C), no adjustments will be made to the proposed prices. The proposed prices in Envelope C -and the technical score in Envelope B in two-staged tenders- will be the basis for decision-making. Therefore, the Bidder shall submit the final proposed price with full knowledge of tender documents and the actual conditions.

3-6- Proposals should be valid for **3** months after the last deadline for receiving them.

3-7- Any delivery, substitution, or withdrawal of the proposal shall be done formally to the Transaction Committee within the deadline and location specified in the tender documents by the Bidder before the opening of the relevant envelopes.

Article 4- The Void Proposals

The proposals that do not meet the following conditions will be rejected and they are void:

- 1- The proposals that provide the guarantee other than the gurantee specified in the tender documents.
- 2- The proposals that submit after the mentaioned date in the tender documents.
- 3- The proposals that are vague, unreadable, conditional or without signiture and stamp.

Article 5- Bid Deadline

Bidders can submit one proposal based on terms and conditions specified in these documents. All the proposals must be submitted Maximum until **August 28 2024** within two last working days of the deadline (**08/27/2024** and **08/28/2024**) to the mentioned address (page4). The deadline for proposal submissions should be valid for **3** months from the date specified

Article 6- Opening the Envelopes

6-1- The Transaction Committee will open the tender envelopes and, after reviewing the relevant proposals based on the conditions outlined in the tender documents, will make decision and announce the result of the tender. The Envelope A, B, C will be opened respectively. If any of envelopes do not meet the conditions mentioned in the tender documents, the next envelope will not be opened and will be returned to the Bidder.

6-2- The Transactions Committee will have the freedom to choose the winning bid at their discretion without the presence of the Bidder.

Article 7- Acceptance or Rejection of Proposals

7-1- Receipt of the proposals shall not be considered as acceptance or imply any formal relationship between the Bidders and Company. Nevertheless, for the successful Bidder, this tender document shall be binding until the PO is officially signed.

7-2- If the Company withdraws for any reason from fulfilling the supply and signing the PO with the winner Bidder, the winner's Guarantee will be released, and he/she does not have any right to claim any compensation.

It was read and accepted.



7-3- The Company reserves the right to accept or reject all or part of the received proposals at its discretion without any reason. Submitting the tender Guarantee and proposal will not create any rights for the Bidders in the tender.

Article 8- Clarification

If the Bidder observes any ambiguity in the tender documents, can send the request for clarification in writing to the Transaction Committee in specified deadline in the documents.

The explanations and responses provided in accordance with the tender documents will be send to all Bidders. In case of any conflict with the contents of the tender documents, the witten responses provided will take precedence.

If the Transaction Committee observes any ambiguity or objection in the tender documents, it can request clarification in writing within the specified time frame. The explanations and responses to the Bidders' questions, as well as in the event of holding a "clarification session" will be provided to all Bidders in the same manner. The written response of the Bidder or the prepared minutes of the session sent to all Bidders will be considered part of the tender documents, and in case of conflict with the provisions of the tender documents, the written response and the sent minutes will take precedence.

Article 9- Performance Guarantee

9-1- The winner Bidder shall submit a bank guarantee equivalent to 5% of the total purchase order agreement amount without any conditions or restrictions under the title of guarantee of performance within 10 days of the Company's notification. This guarantee will be valid for a minimum of 3 months after goods delivery and can be extended upon request. After signing the purchase order agreement and providing the performance guarantee, Bid guarantee in the tender will be returned to the winner Bidder.

Article 10- Method of Handling of Complaints

If any of the Bidder have objections to the tender process, they can submit the complaint to the Company. The CEO of the Company will refer it to the board of directors within fifteen working days of receiving the complaint with the report actions. The board of directors will, as appropriate, either confirm the initial decision of the Transaction Committee or take necessary actions to resolve the issue, or make any other suitable decision orto issue temporary orders. In the case of the complaint is not acknowledged by boared member, the response shall be delivered to the complainant within seven working days by CEO. If complaint is not contested, the objection will be exclusively referred by Company CEO to Company's holding company. There, the complaints committee which comprises of CFO, legal and contracts manager, inspector manager, security manager, and one technical person selected by the CEO, will handle and award. The issued reward is conclusive and uncontestable. The tenderer shall waive and forfeit their right to object to the conclusive issued reward.

It was read and accepted.

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Annex "A":

“Cover Letter”

It was read and accepted.

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Please fill in the form in English and leave the irrelevant parts blank and put it in Envelope A.

The Proposals are submitted by:

Name of the Bidder	
Identification card	
Address	
City	
Postcode	
Country	
Website	
E-mail	

The contact person for this tender is:

Name	
Position/function	
Office address	
Telephone	
Fax	
E-mail	

The person authorized to represent the tenderer and to sign the contract is:

Name	
Position/function	
Office address	
Telephone	
Fax	
E-mail	

It was read and accepted.

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**TO: Mr. Bayatani
Head of Transactions Committee**

Having thoroughly studied the Tender Documents, comprising:
Invitation to Tender and Form of Tender, Performance Bond Guarantee and Technical Specifications, propose to provide the Goods, in strict accordance with the said instruction, conditions and offer the sums reflected in the Annexes of the Tender Form.

We have thoroughly read and understood all the pages of this tender, and there is ambiguity in its content.

Should our Tender be accepted, we undertake to provide the requested goods in accordance with all terms and conditions of the purchase order agreement.

We agree to abide with the terms of this Tender for the period of 90 days, starting from the Bid Deadline (closing date) for its submission. and the Company has reserved the right to accept or reject any or all of the proposals received at their sole discretion and without exploration

We understand that you are not bond to accept the lowest or any Tender and that you will not defray our expenses in connection with the preparation of this Tender.

Hereby, we have submitted our proposal rate with confirmation and consideration the above documents.

**Yours Truly
Seller's Name to be inserted**

It was read and accepted.

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Annex "B":

“Technical Terms and Technical Bid Evaluation Form”

It was read and accepted.

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Technical offer

From:			
Address:			
Tel:		Fax:	
Ref.	Descriptions	QTY	Unit
1	Lip Sealing B220*250*15G	4	Pcs
2	MAIN SHAFT TOP DRIVE BPM P/N:9702020301 Model: DQ70BSC	1	Pc
Delivery Term Offer		Delivery Time Offer	
Ex Works			
CFR- BND (Mandatory)		(2 Month from AP is Evaluation Criteria)	
DDP- OEOC Warehouse (Ahwaz)			

Technical Terms and Conditions:

1. Manufacturer:(Please specify or write it on your offer)
2. The Origins: (Please specify or write it on your offer)
3. Submitting all related technical specification, catalogues along with technical offer is mandatory.
4. The technical proposal shall meet our exact/complete technical spec.
5. All drawings and technical specification should be submitted along with technical offer.
6. All related quality and technical certificates should be submitted along with technical offer.
7. Delivery Time: Please specify Delivery Time in the table based on Delivery Term.
Note: Submission of the proposal with **CFR** Terms is mandatory.
(For CFR Term, Delivery time of 2 Month from AP is Evaluation Criteria)
8. Please submit your offer same as our structure.
9. Please specify and write on your envelope offer: **Envelope B: Technical Proposal, Tender NO, and Tender Subject.**

It was read and accepted.



10. Inspection requirements for BPM Top Drive Model: DQ70BSC :

1. Technical & dimensional drawing approved by OEM (BPM)
2. COC by OEM (BPM)
3. Visual inspection and dimensional check
4. Material test report (chemical analysis and mechanical properties)
5. Volumetric NDT report of raw material (UT)
6. Full body MPI report (outside surface)
7. Shaft inside surface UT report
8. Thread inspection certificate (w/ approved API gauge)
9. Thread MPI report (wet fluorescent under Black Light)
10. Pressure proof test report
11. Document review: quality control reports, etc

NOTE1: The points, which are mentioned in the tender documents and above, are basis for technical scoring. If you can provide any of them, please specify it in your technical and commercial proposals.

It was read and accepted.

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شركت عمليات اكتشاف نفث

Form No.		1/1		Technical Evaluation Form for General Goods Purchase							
Purchase Request No.:		-		Goods Description:						Date:	
Purchase Request Date:		-									
Technical Conditions (70)										Final Score	
Suppliers/ Vendors Description	Offered Brand/ Origin	Main Brand Score		The Compatibility of the Goods with Required Specs	Delivery Time		The possibility of providing the technical docs, Certificate of Origin, COC, QC Docs, Calibration Certificates	Providing the technical docs related to the goods (part list, maps, catalogues and ...) and manufacturer's certificates	Total Score for Technical Conditions	Total Scores (100)	
		As per/higher than request	(30)		According to Requested Time	(15)					
		Minimum acceptable	(15)		Later than the Requested Time	(10)					
		Unacceptable	(0)		Out of Requested Time	(0)					
			(15)		(5)		(5)	(70)			
Procurement Conditions (30)										Vendors/ Companies in the order of Final Score	
Suppliers/ Vendors Description		Delivery Terms		Payment Terms and Financial Capabilities		After Sale Services		Total Score for Procurement Conditions		Suppliers/ Vendors Description	
		Offered Terms		(10)		(15)		(5)			

Remarks:

1. Specifying manufacturer name and model number are mandatory.
2. Bidders shall specify deliverable documents in their technical proposals. Manufacturer's valid monogram and certificates for specified standards in the enquiry/ purchase request are mandatory.
3. The minimum total point (technical point+ commercial point) for approval is 60. This criteria will be adjusted for "Not Applicable" / Non Applicable items accordingly. **Technical Index for commercial Evaluation= % ...40...**
4. If the proposed technical specification of the goods don't comply with the required specification and/or cover the required technical criteria, the submitted proposal will be rejected.
5. All requested items should be offered by vendors. Partial offers may lead to technical disqualification.
6. Vendors shall submit approved tender documents (signed and stamped as Read& Agreed) along with unpriced quotation within technical proposal. (Mandatory Criteria which leads to rejection of Vendor Offer)
7. Offers with Brands/Manufactures other than requested Brands/Manufacturers (If any) will be technically disqualified.

It was read and accepted.



Note1: Minimum acceptable score is **60**.

Note2: Coefficient for balancing of Technical Evaluation and Proposed Price (I) = **0.4**

The relationship between technical evaluation and commercial proposal for determination of successful Bidder is as following:

Balancing of the technical and commercial proposals shall be made through following formula:

$$L = \frac{100 \times T}{100 - [i \times (100 - t)]}$$

L= Balance Price

C= Bidder's Price (placed in financial envelope)

I= Coefficient for balancing of Technical Evaluation and Proposed Price ($0.4 > i > 0.1$)

T= Bidder's Technical Evaluation ($90 > t > 60$)

It was read and accepted.

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Appendix "C":
“Commercial Terms”

It was read and accepted.

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Commercial Offer

From:					
Address:		Tel:		Fax:	
Ref.	Descriptions	Manufacture	QTY/ Unit	Unit Price (EURO)	Total Amount (EURO)
1	Lip Sealing B220*250*15G		4 Pcs		
2	MAIN SHAFT TOP DRIVE BPM P/N:9702020301 Model: DQ70BSC		1 Pc		
Total Actual Purchase Amount- Ex works					
CFR- BND (Mandatory)					
DDP- OEOC Warehouse (Ahwaz)					

Commercial Terms and Conditions:

1. Manufacturer..... (Please specify or write it on your offer)
2. Delivery Terms and Time: Please mention your delivery terms and time.....,
Note: Submission of the proposal with **CFR** Terms is mandatory.
3. Validity of the Commercial Offer should be: at least **3** months from the last day of the deadline for submission of bids (please specify it in your offer).
4. Payment Term: **Advanced payment as 25% of the total amount of the issued PI against unconditional and extendable APBG, and the balance payment will be done against Inspection (as mentioned in Technical Terms) and Original Shipping documents.**
5. In case offer is accepted, 5% of the PO should be submitted as **Performance Guarantee** based on Article 9 in part of Terms for Participation in the Tender.
6. Other conditions will be notified in PO.
7. Please submit your offer same as our structure.
8. Please specify and write on your envelope offer: **Envelope C: Commercial Proposal, Tender NO, and Tender Subject.**

NOTE1: After obtaining the technical scores based on the conditions mentioned above and documents, the Commercial proposal will be reviewed.

It was read and accepted.

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NOTE2: The points mentioned in the tender documents and above are basis for scoring. If you can provide any of them, please mention it in your technical and commercial proposals.

NOTE 3: Please be informed that, this company will pay the payment in **foreign currency outside of Iran**, so in case of winning and finalizing the PO with you, we need **Bidder's foreign account (Introducing an account other than the Bidder account is not approved).**

ICE rate (the highest exchange rate of the ICE in IIR (Foreign Currency Remittance- Selling rate)) is considered as the basis of exchange rate (Sale Rate on payment day) for requesting payments inside Iran.

Bidder's Bank Account Information:

Account Name:

Account Number:

Bank Name:

NOTE4: Please note, based on the sample PO (in the General Conditions, Articles 2.5 and 4.5), the transfer fee up to **maximum of 2%** is borne by the **seller**.

It was read and accepted.

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Appendix "D":

“Sample of PO”

It was read and accepted.

Purchase Order



Offer No:
Offer Date

PO NO:
PO Date:

SELLER:	BUYER: Oil Exploration Operation Company
Business Licences/Registration NO:	Registration No: 143260 International Identity Code: 1010186
International Identity Code: Economic Code:	Economic Code: 411131184514
Address:	Address: No. 234, Taleghani St., Tehran- Iran
Tel:	Tel: (+98) 21 41451
Fax:	Fax:

Commodity:	
Duration of the PO:	This Purchase Order (hereinafter referred to as PO) is valid for months from the effective date to the expiration of the guarantee period.
PO Documents:	1.This PO 2.General Conditions (Appendix 1) 3. Seller's Commercial and Technical offers (Appendix 2) 4. Inspection Requirements (Appendix3)

Total Price (VAT not included):		Say:	
Payment Terms:	Advance Payments: Yes <input type="checkbox"/> No <input type="checkbox"/>% of the maximum amount of the PO		
	Interim Payments: Yes <input type="checkbox"/> No <input type="checkbox"/>% of the maximum amount of the PO		
Guarantees	Advance Payments Gaurantee: Yes <input type="checkbox"/> No <input type="checkbox"/>% of the maximum amount of the PO		
	Interim Gaurantee: Yes <input type="checkbox"/> No <input type="checkbox"/>% of the maximum amount of the PO		
	Performance Guarantee: Yes <input type="checkbox"/> No <input type="checkbox"/>% of the maximum amount of the PO		
Delivery Time and Terms: (incoterms 2020)			
Partial Delivery: Not Allowed <input type="checkbox"/> Allowed <input type="checkbox"/> in Parties	Mode of shipment:		
Forwarder to be arranged by: Buyer <input type="checkbox"/> Seller <input type="checkbox"/>	Ocean freight <input type="checkbox"/> Air freight <input type="checkbox"/> Road freight <input type="checkbox"/> Rail freight		
Shipment Insurance(s) Cost is on Buyer charges <input type="checkbox"/> Seller's Charge <input type="checkbox"/>	Carrage to be arranged by: Buyer <input type="checkbox"/> Seller <input type="checkbox"/>		

Installation & commissioning/ Guarantee/ After Sales Services:	
Installation & commissioning:	Not Included <input type="checkbox"/> Included <input type="checkbox"/> Costs (If included) For each expert/ Duration days/months after delivery.
Guarantee:	Not Included <input type="checkbox"/> Included <input type="checkbox"/> Duration (If yes) ismonths/weeks/days after installation/ delivery/ submission the BL to Buyer by Seller.
After Sales Services/Waranty:	Not Included <input type="checkbox"/> Included <input type="checkbox"/> W <input type="checkbox"/> anty Letter No Yes <input type="checkbox"/> <input type="checkbox"/> Duration (If yes) is months/weeks/days after installation/ delivery/ commissioning.
Spare Part	Included <input type="checkbox"/> Not included <input type="checkbox"/> 1- Seller shall warrant the continuous availability of all necessary and related special tools, spare parts and maintenance services on the best terms and conditions and at the best prices obtainable for duration of years from the expiry of the Warranty Period. Spare parts shall be standard, off-the-shelf supply insofar as possible and, when any of them are not possible, shall be manufactured sufficiently in advance and in such quantity as to ensure continuous availability for Buyer's and/or The Company's operational requirements. 2- Seller shall establish and submit for Approval a detailed list of recommended spare parts that Seller deems necessary for the first years of continuous operation of the relevant plant, specifying quantities, unit prices and time of delivery.

Purchase Order



Offer No:

Offer Date

PO NO:

PO Date:

Oil Exploration Operation Company

Inspection Required:	Yes <input type="checkbox"/> No <input type="checkbox"/> (Ref to Appendix3)
	(If Yes) During Manufacturing <input type="checkbox"/> before Shipment(PSI) <input type="checkbox"/> Performance Test <input type="checkbox"/>
	(If Yes) Inspection Test(s) Cost is on Buyer charges <input type="checkbox"/> Seller's Charge <input type="checkbox"/>

Documents to be submitted:	Invoice <input type="checkbox"/> Performance Test Report <input type="checkbox"/> Certificate of Inspection <input type="checkbox"/> Certificate of Compliance <input type="checkbox"/> L <input type="checkbox"/> Insurance Policy <input type="checkbox"/> Packing List <input type="checkbox"/> Certificate of Origin <input type="checkbox"/> Profit Invoice <input type="checkbox"/> Inspection Release Note <input type="checkbox"/>
	1. Priced commercial invoice in two original and two copies. 2. Itemized packing list endorsed with Package Number, Dimensions and weights and other specification in two original and two copies signed and sealed by seller. 3. Certificate of origin endorsed by local chamber of commerce confirming in one original and 2 copies. 4. Copy of full set of clean on board ocean Bill of Lading (B/L) Marked "freight prepaid "accompanied with freight invoice in case of sea shipment and or airway bill (AWB) in case of air freight endorsed with Contract No. and insurance policy reference 5. Full set of freight prepaid, Sea Freight bill of lading marked freight prepaid issued or endorsed to our order. In three originals and three copies. 6. Original of all Mentioned Certificates and Documents in APPENDIX 3.(Manufacturer test and inspection certificates in 1 original and 2 copies evidencing that the quality and quantity of the goods are in compliance with specification of goods indicated in this PO) 7. Inspection release note (IRN) in 1 originals and 2 copies, all originally signed , stamped and issued and confirmed by TPA, certifying that the quality and quantity of the goods are strictly complying with specifications indicated in the relative Performa Invoice and PO and the goods can be released for shipment. 8. Third Party Inspection Certificate issued and signed and sealed by third party inspector nominated and approved by the Buyer and based on Buyer's requirement. 9. Commodity Instruction, Catalogue, Commodity Installation Procedure, Maintenance Procecedure and Goods' drawings in one original version.

Liquidated Damages	Failure to meet the notified delivery dates as specified in "Shipment and Delivery of Goods" Article will cause an immediate liquidated damages fee equal to 0.1% of the Contract amount per day until the actual delivery of the Goods, UP to the maximum of 10% of the Contract amount as the ceiling of liquidated damages. In case the liquidated damage amount exceeds the ceiling, BUYER, after giving notice in writing to SELLER, is entitled to a) terminate the Contract and to confiscate the SELLER's Good Performance Guarantee, APG and Interim Payment Guarantee or b) to continue the Contract and perform the obligation on behalf of the Seller with 20% of overhead. In this case the Buyer will recover the costs and expenses out of the Guarantee/debts/payments/properties of the Seller. Note1: In case the purchase/work is not delivered/performed on time, The Buyer may fulfill/complete the job and will recover the incurred amount/loss out of the payments or guarantee of property of the Seller. Note2: The Buyer is in charge for descretion of delay in delivery, failures, quality problem, possible damages and ... and its discretion in this regard is final and binding.
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This Purchase Order "....." and attached documents is concluded in 3 copies with equal validity which is signed on date in Tehran.

Remarks:

Oil Exploration Operation Co. as Buyer	 as Seller	
Athorised by: Mehrbod Farhadi Position: Commerce Manager sign & stamp:	Athorised by: Hedayatollah Khademi Position: Chairman of the board sign & stamp:	Athorised by: Abdolmahdi Mojtahedi Position: Managing director sign & stamp:	Athorised by: Position: sign & stamp:

Appendix 1

PO NO:

PO Date:



General Conditions

ARTICLE 1: DURATION OF THE PO

1.1. Effective Date

This PO shall become effective as of the date it is signed by both Buyer and the Seller.

1.2. Advance Payment

If the PO contains advance payment, it will be paid after requesting and presenting the Advance Payments Guarantee (hereinafter referred to as APG) by the Seller within 15 days. In this case the commencement date will be the day of payment of advance payment by Buyer. If APG is not presented within the time specified in PO, the commencement date will start automatically after that time from the PO signature date.

ARTICLE 2: PO AMOUNT

2.1. As a full compensation for all Materials and/or works supplied and/or performed by Seller under the PO, the Buyer shall pay to Seller the PO amount, in the manner specified in the PO. The PO Price shall not be subject to any escalation or increase as a result of any increase in Seller's costs. Even judicial and legal escalations shall not be applied in this PO.

2.2. The PO amount shall be deemed to include and cover all costs, expenses and liabilities of every description and the risks of all possibilities of delay and interference which may occur in connection with the performance of the purchase and handing over the Goods/Materials by Seller to Buyer.

2.3. Unless otherwise provided in writing in the PO, Seller shall pay all of the sales, use, service, excise and other taxes as well as all duties, fees or other assessments of whatever nature imposed by governmental authorities, applicable in connection with the PO.

2.4. All handling cost as well as all charges for containers (if any), packing crating, insurance and transportation, on or before handing over to the Buyer, is assumed as covered in the PO amount.

2.5. No payment made by the Buyer shall be deemed to constitute acceptance by Buyer of the Materials, the purchase and/or any parts thereof. Any payment which becomes payable on any day which is not a banking day shall be paid on the immediately succeeding banking day. All bank charges, fees, etc. up to the point of delivery of goods shall be borne and paid by Seller except for the cost incurred in connection with the opening of the letter of credit, which shall be borne by Buyer, provided that, the costs for any extension of the letter of credit due to the reasons attributable to Seller shall be borne by Seller.

2.6. At any time and without any notice, Buyer may, without prejudice to any other rights reserved to it under the PO or Applicable Laws, deduct or set-off Seller's claims for money due or to become due to Seller against any claims which Buyer has or may have arising out of the PO or other transaction between the Parties hereto.

Note: The Total PO Amount is subject to variation order which may be issued by Buyer. Buyer shall have the right to advise seller in writing to modify the quantities and/or volumes of the PO's items (including any increase and/or decrease) within a range of - 25 % (as floor) and + 25 % (as ceiling) of the Total PO Amount at the unit price mentioned in this PO.

ARTICLE 3: DOCUMENTS & DRAWINGS

3.1. Seller shall furnish Buyer with all detailed drawings, certificates, data and other documents as requested from the Seller, illustrating sufficient details to assure Buyer's satisfactory design, performance, operation and maintenance with respect to the Materials.

3.2. Buyer's Approval for drawings, certificates, data and other documents shall not release Seller from any of its obligations under the PO. Such drawings, certificates, data and other documents shall be prepared in accordance with Buyer's instructions and, in addition, provided with a title block and a reserve clause in Buyer's favor, as specified by Buyer.

3.3. Buyer's Approval for drawings, samples or other representations shall not constitute its acceptance of substitutions or deviations, unless Seller has identified them as substitutions or deviations by separate notice when submitting such drawings, samples or other representations. If the words "or equal" are used in the Buyer Order, any of the proposed equals shall be construed as approved by Buyer.

3.4. All drawings, certificates, data, specifications and other pertinent papers prepared by Seller pursuant to the PO may be used, without limitation, for: (i) construction, operation, modification, revamping, de-bottlenecking, repair and maintenance of the Materials and the works, (ii) replacing any part of the works from any source, and (iii) duplicating any section of projects or works by or for Buyer.

ARTICLE 4: METHOD OF PAYMENT

The PO Amount shall be paid as the followings:

4.1. Advance Payment (if applicable):

The Buyer shall, if possible and upon request of the Seller, pay the determined percent in PO as advance payment after signing of the PO by the Parties hereto against presentation the Advance Payment Guarantee (APG) by the Seller.

Note: If the purchase process is not started by Seller within 2 weeks from the date of receiving Advance Payment or after written notice from the Buyer in this regard, the Seller is obliged to pay back the Advance Payment and compensate the losses and damages incurred by Buyer.

4.2. The Advance Payment Guarantee shall be released automatically by the Buyer upon the delivery of Goods and handing over shipping documents or any documents instructed by Buyer.

4.3. Mid-Payment (if applicable):

In case of the mid-payment (interim payment) to the seller, the related bank guaranteed (as approved by the Buyer) for the same amount shall be presented by the Seller before the payment.

Note: In case the Goods are not delivered and the PO is terminated by Buyer, the Seller shall return all the Advance payment and Interim payment to Buyer within 48 hours, otherwise the Buyer can confiscate the Advance payment and Interim payment Guarantees.

4.4. The Remaining Payments:

The Remaining Payments shall be made by the BUYER, after receiving documents required by the Buyer, Technical approval and handing over of the documents by the SELLER.

4.5. All payments under this PO shall be made exclusively to the account designated by the Seller, which shall be in the name of the Seller. The Seller shall bear the transfer fee up to a maximum of 2%, with any amount exceeding this limit to be assumed by the buyer.

ARTICLE 5: GOOD PERFORMANCE GUARANTEE/RETENTION

5.1. Seller shall upon execution of the PO, provide the guarantee in the form and amount determined in PO in favor of Buyer, issued by an Iranian bank (approved by the Buyer). The Good performance Guarantee shall remain in force until the delivery and fulfillment of the Seller's obligation or upon expiration of the guarantee period (if exists).

Note: in case the Seller's obligation is up to the Goods' performance for a specific time (based on Parties' negotiations or the Goods nature), the Good Performance Guarantee shall be extended accordingly.

5.2. The Buyer shall have the right at any time if the Seller is not able to perform its obligations under this PO and when the Seller leaves the PO duties or in the event of breach of this PO by the Seller, to confiscate this Guarantee as compensation for the loss, damage or expenses incurred by the Buyer, without the need for Buyer to prove to the Seller' fault., and this would be of no affect to Buyer's other rights or privileges.

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ARTICLE 6: TAXES AND DUTIES

- 6.1. Regarding the companies established in countries other than Iran, no VAT (Iranian Value Added Tax) will be calculated for the payment to the Seller.
- 6.2. Regarding the companies established in Iran, the Buyer is liable for payment of VAT according to laws and regulations against the supporting legal documents which should be submitted by Seller to Buyer.
- Note:** The Seller shall be responsible to register the Buyer's name in Iranian Ministry of Finance and Economic Affairs Dept. and to submit a copy of the proposed certificate to the Buyer. Payment of the above Iranian VAT by the Buyer is subject to presenting the certificates, legal supporting documents for the approval of VAT, and other documents required by Buyer.
- 6.3. Any tax incurred on the Seller's bank account is on the Seller's charge.

ARTICLE 7: SHIPMENT AND DELIVERY OF GOODS

- 7.1. All Goods and spare parts shall be shipped as per PO instruction. Shipment costs, delivery to Buyer's warehouse and ... will be as per PO description. If PO is silent in this regard, they should be based on defined delivery term (Incoterms 2020).
- 7.2. Shipment insurance (issued by an Iranian insurance company) costs shall be based on PO description or if the PO is silent, it should be based on defined delivery term (Incoterms 2020).
- 7.3. If the seller is obliged to perform the marking, packing, preservation and shipment of the Materials, they shall be performed in a manner adequate to withstand transportation to the Site in accordance with the requirements contained in "PO".
- 7.4. If the carriage of Goods is the Seller's responsibility, Seller shall take care to insure that it shall comply with all Applicable Laws applicable to the carriage of dangerous goods, especially those relating to marking, packing and transportation.
- 7.5. If Seller fails to make deliveries on due time or perform the works at the due time, any or all damages incurred to Buyer and any special premium transportation or other costs required to complete the specified delivery schedule shall be charged at the expense of Seller.
- 7.6. Delivery terms of the PO shall be interpreted in accordance with International Rules for the Interpretation of Trade Terms 2020 and as supplemented ("Incoterms 2020").
- 7.7. If the Materials cannot be dispatched at the time when they are due or ready for dispatch in accordance with the PO, after Buyer's written confirmation, Seller shall store the Materials, safeguard them and take all steps to prevent their deterioration during such storage period. Cost of storage will be paid according to the agreed price of both Parties.

ARTICLE 8: TITLE

- 8.1. Seller warrants the good title to all Materials, free and clear of all liens, claims and encumbrances. The title and risks of Materials shall pass to Buyer in accordance with Incoterms 2020. Said transfer of title shall in no way affect Buyer's rights as set forth in any other provision of the PO.
- 8.2. Notwithstanding the above sub-article, if Buyer makes progress payments to Seller under this PO, the title to the Materials or any part thereof shall pass to Buyer at the time that Seller identifies the Materials or any part thereof to this PO. The care, custody and control of such Materials or any part thereof remains with Seller until such time as Buyer takes physical possession or otherwise agrees in writing by change order to this PO.
- 8.3. All drawings, manuals, documents, engineering, computer disks, computer tapes and other data prepared or furnished by Seller in performing the works shall become the property of Buyer at the time of preparation and may be used by Buyer for any purpose whatsoever.
- 8.4. Any portion of the Materials of which title has passed to Buyer but which remains in the care and custody of Seller shall be clearly identified in a manner acceptable to the Buyer as being the property of Buyer and shall be segregated from Seller's property.
- 8.5. For the purpose of protecting Buyer's interest in all Materials of which title has passed to Buyer but which remains in the possession of another person, Seller shall take or cause to be taken all steps necessary under the Applicable Laws of the appropriate jurisdiction to protect Buyer's title thereto. Further, Seller shall protect, defend and hold Buyer harmless against any and all claims by other persons with respect thereto.

ARTICLE 9: INSPECTION

- 10.1. Based on the Buyer's requirements, Seller or Supplier shall arrange for Goods inspection, prior to each shipment (the "inspection prior to the Shipment") and shall coordinate to issue an Inspection Certificate in respect thereof by a reputable inspection firm nominated by the Buyer.
- 10.2. Seller or Supplier accepts the third party's inspection nominated by the Buyer. Scope of such inspection should be as per inspection scope as mentioned in this Article.
- 10.3. All Goods Operating Manuals and Drawings have to be in all aspect in compliance with technical specifications of the purchased items. All spare parts shall have the part number label and the part number label shall be according to the related part number mentioned in manual. In case of non-conformity or no engraving the part number on the spare parts, then Buyer reserves the right to claim against Seller/Supplier or Manufacturer through legal proceedings
- 10.4. Seller shall have sole responsibility for the inspection of, and Seller shall inspect, all materials and/or the works, to ensure that the same shall conform in each and every respect to the requirements of the PO and be in accordance with good design, engineering and fabricating practices. This inspection shall include works in Seller's shop as well as works in its sub-Sellers' shops. Buyer, Company and/or any of their designated inspection personnel shall have the rights to inspect any of the materials, Goods and/or the works whenever deemed necessary for conformance to the PO and for progress of the purchase. However, any inspection or failure thereof by Buyer, Company or aforesaid inspection personnel shall not relieve Seller of its responsibility.
- 10.5. If not expressly waived by Buyer, the Materials and/or the purchase shall be subject to inspection and test by representative of Buyer, Company and/or any of their designated inspection personnel. Any rejection by any one of them will be final. The application for inspection shall be submitted by Seller to Buyer within the agreed time limit before the date of scheduled inspection and test. If no agreement is made, Seller shall notify Buyer of readiness for inspection at least two (2) weeks in advance of the date inspection is required. After the initial notification, Buyer and Seller will agree on a schedule for further inspections. Seller shall not delay the fabrication or manufacturing pending inspection, unless otherwise approved by Buyer. If inspection or test of the Materials or any part thereof is required by the applicable Laws, Seller shall promptly perform the same pursuant to such applicable Laws at its cost.

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10.6. Buyer may conduct or have its representative conduct an unpacking inspection of all Materials at the Site at any time deemed appropriate by Buyer and/or Company. Any inconsistency or discrepancy between the actual Materials and the Materials on the packing list found during the unpacking inspection shall be deemed and considered as shortage, loss or excess in Seller's supply. Seller shall dispatch its personnel or representative to the Site to witness the unpacking inspection at its own expense. If Seller intends to witness the unpacking inspection, it shall notify Buyer thereof prior to shipment of the Materials. If such notice is given by Seller to Buyer, Buyer shall notify Seller of the date on which Buyer intends to conduct such unpacking inspection at least seven (7) days prior to the scheduled date of the unpacking inspection. If any shortage, loss or damage is found at the time of unpacking inspection, Seller shall (at its cost including, but not limited to, export packing, handling and transportation costs to the Site) immediately make all repairs to or replacements of the Materials necessary to restore such shortage, loss or damage. The determination by Buyer as to shortage, loss or damage shall be binding upon Seller. Any excess found at the time of an unpacking inspection shall not be deemed to substitute for the shortage, loss or damage and may be returned to Seller at Seller's cost.

ARTICLE 11: WARRANTY AND GUARANTEE

11.1. Notwithstanding all other rights of BUYER under the terms and conditions of Purchase Order/or PO, by accepting the supply Goods and Spare Parts, SELLER shall be deemed to have warrant to BUYER that the material to be manufactured and supplied by SELLER, Supplier or Manufacturer shall be based on the agreed specification on the followings:

- Will be new genuine of merchantable quality;
- Will be free from defects in design, material and workmanship;
- Will be with no deviation from the agreed specification given under this PO.

11.2. Seller warrants that all Materials and/or the works, whether manufactured or fabricated by Seller or others, shall; (i) strictly conform to the Specifications, drawings, samples and other descriptions referred to in the PO or provided by Buyer to Seller, (ii) be of merchantable quality and fit for the purposes intended and (iii) be free from defects in materials and workmanship. At the request of Buyer, Seller shall repair or replace, free of cost to Buyer, any defective part or parts found within the Warranty Period.

11.3. In view of the special circumstances of the engineering, procurement and construction business, inspections shall only be made and, where applicable, claims shall be lodged after installation, start-up and operation of the Materials.

11.4. Buyer shall notify Seller after discovery of any breach of Seller's representations, warranties and guarantees as set forth heretofore that may appear at any time during the Warranty Period. Seller shall provide proper materials and labor to the extent necessary to correct any breach to make the Materials and/or the works conform to Seller's representations, warranties and guarantees, on Seller's account and not reimbursable or the basis for any claim.

11.5. The Warranty Period for the replaced or repaired Materials shall be recalculated from the date of completing such repair or replacement and extended by a period equal to the original Warranty Period.

11.6. Seller shall submit Buyer with the best possible representations, warranties and guarantees customarily given with respect to materials and workmanship of all Materials and/or the works furnished by Seller to its other client. All representations, warranties and guarantees shall be subject to Approval by Buyer and shall be so written as to survive all Company's and Buyer's inspections, tests and approvals.

11.7. If, at any time during the performance of the works or during the Warranty Period, any representation, warranty or guarantee set forth in this Article or obtained from Seller is found to have been breached, Seller, within seven (7) days of receipt of Buyer's notice of such breach, shall mutually agree with Buyer when and how it shall remedy such breach. Should Seller not begin and diligently proceed to complete such remedy within the time agreed to, or should Seller and Buyer fail to reach such agreement within seven (7) days of Seller's receipt of Buyer's notice of such breach, Buyer, after advising Seller in writing, shall have the right to perform, or make any third Parties perform, the necessary remedy, and the costs thereof shall be borne by Seller. In the event of danger to life and limb, if operational safety is put at risk, to prevent unacceptably severe damage or if the pertinent defects or deficiencies are only of a minor nature, Buyer shall, at Seller's cost, have the right of substitute performance even if the prerequisites for default are not fulfilled.

11.8. If the Materials and/or the purchase provided by Seller are found to have defects or deficiencies for which Seller is responsible, Seller shall compensate for and hold Buyer harmless against any or all loss and/or damage, incurred to Buyer, due to such defects, deficiencies and/or any epidemic defects. For this purpose, Buyer shall have the right to withhold and/or set-off the payment of any appropriate portion of the Purchase Price pending the making good of such defects or deficiencies.

11.9. Any or all warranties and guarantees under the PO shall be in addition to any warranties and guarantees, express or implied, by the Applicable Laws or otherwise made by Seller and will survive any inspection, Approval, acceptance and/or payment by Buyer.

ARTICLE 12: SELLER'S OBLIGATION

12.1. The seller undertakes to provide the required bank guarantees in the form and amount approved by the Buyer.

12.2. The SELLER undertakes to provide the Goods free from defects in workmanship and material and shall be fit for the purpose for which they are generally intended and/or for the purpose that BUYER has informed SELLER; Goods in all aspects shall be in compliance with the specification, documents and appendix(es) given in this PO. Also the SELLER undertakes to consider all standards, quality items, selection of the suitable goods and materials according to the items as mentioned in the PO and to inform the BUYER any deviation from above-mentioned items and to request the BUYER for approval of such deviation.

12.3. Seller shall supply the Goods/Materials and perform the purchase in compliance with the PO, Applicable Laws, relevant industrial codes and standards and Buyer's reasonable instructions given from time to time during the performance of the works and shall pay all liquidate damages, fines and penalties that may result from Seller's non-compliance therewith.

12.4. All Materials and/or the purchase provided by Seller shall not be subject to any export restrictions.

12.5. If during the term of the PO, the Buyer finds the number and/or quality of Seller's personnel performing the purchase/works/tasks not adequate, upon the request of Buyer or voluntarily, Seller shall, at its own cost and expense, immediately (i) undertake remedial measures, (ii) provide additional personnel, (iii) cause its existing personnel to work overtime, and/or (iv) perform in a manner such that the schedule and quality are not adversely affected.

12.6. Seller shall be fully responsible for the design and manufacture of the Materials in accordance with the PO/Appendix(es) and for compliance with all Applicable Laws, industrial standards officially acknowledged by the world class manufacturers and codes as required in the PO/Appendix(es). Seller shall submit drawings to Buyer for its review as to layout and assembly drawing with respect to the required sections and details thereof.

12.7. Neither review, comments, approval, acknowledgement nor certificate given by Company and/or Buyer shall relieve Seller from any or all of its liabilities or obligations under the PO.

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12.8. Seller shall submit quotation(s) with respect to the Materials and the purchase, free of charge, to Buyer.

12.9. Unless otherwise specifically provided in the PO, Seller shall maintain, at its sole cost and expense, at all times while performing the purchase, the insurance coverage in accordance with the Applicable Laws and/or (if any) the terms and conditions of the PO, to the extent satisfactory to Buyer. Before commencing the works, Seller shall provide the Buyer, at the request or voluntarily, with a certificate evidencing the coverage and naming the Buyer and Company as an additional insured under the insurance policy upon the request of the Buyer. Seller shall, upon request of Buyer, submit or cause to be submitted to Buyer, certified copies of all insurance policies required hereunder for review and to confirm that appropriate coverage is in force. Further, if requested by the Buyer, all policies shall be endorsed to provide: (i) a waiver of subrogation rights clause and (ii) a severability of interest clause or cross liability clause in favor of the Buyer and Company, any of their subsidiaries and affiliates and all other Parties owning any interest in the property on which the works are to be performed. Seller shall, upon request of the Buyer, produce for inspection the policy in respect of any insurance Seller shall be required to effect under the PO and the receipt for payment of the relevant premium.

12.10. The Seller undertakes to provide the BUYER, free of charge, four sets of manuals/catalogue, technical and detailed specification of the purchased Goods & Spare parts in book & CD forms.

12.11. The Seller undertakes the Commissioning of all the Purchased Units. (as per case)

12.12. In case some services/goods/equipment/vehicle or ... of the Buyer is used by the Seller without the obligation of the Buyer to do that, then the Seller is obliged to pay the amount of that service/goods/equipment/vehicle or ... with 20% of overhead to the Buyer. The Buyer is entitled to reimburse this amount out of the payment/guarantee or any other way convenient to Buyer.

ARTICLE 13: CUSTOMS, DUTIES AND OTHER CHARGES

13.1. If delivery term is DDP, Seller shall make all necessary arrangements for customs and clearance formalities in Iran for definitive importation of the Items and spare parts required for Goods. All customs duties and other levies, charges, duties, taxes and etc., imposed by the customs authorities of the Islamic Republic of Iran on the importation of Goods and spare parts to be provided under the PO are on the Seller's account.

13.2. If delivery term is DDP, Seller is obliged to present all the legal documents from the Iranian related authorities regarding custom and duties (including custom and duty release notes, custom clearance, paid duties and ...).

ARTICLE 14: PATENT AND INTELLECTUAL PROPERTY RIGHTS

14.1. Except where the Goods/Materials are made according to the specifications provided by Buyer or other instructions of Buyer (other than those provided by Seller and Approved by Buyer), Seller shall guarantee that the Goods/Material and the purchase shall not infringe any of Intellectual Proprietary Rights owned or possessed by any third party. Further, Seller guarantees that it shall indemnify and hold harmless Buyer and/or Company, any of their successors, assignees and users of the Materials specified herein from and against any and all claims, demands, losses, cost and liability arising out of or resulting from the actual or alleged infringement of any Intellectual Proprietary Rights as well as any litigation or arbitration based thereon.

14.2. The Seller shall indemnify and hold Buyer harmless from any claim, action or proceeding by third parties for infringement of patents covering any and all of the Goods furnished under this PO provided that the Seller shall be entitled to defend and maintain the defense against such claims of infringement at the Seller own cost and expense.

14.3. The Seller hereby grants to the Buyer an irrevocable non- Exclusive, royalty-free license, to use for the operation, construction and maintenance of the Goods, any equipment, processes and methods incorporated or to be incorporated in the Goods or works hereunder, and invention made by the Vendor its sellers and its or their employees in, or as a result of the execution of the works hereunder.

14.4. The responsibility of the breaching this right and following up the court issues is on the Seller and any loss and damages incurred by Buyer thereof shall be compensated by Seller.

ARTICLE 15: FORCE MAJEURE

15.1. Neither party shall be liable for failure to perform its part of the PO when such failure is due to fire, flood, war (declared), riots, insurrections, all of which shall be beyond the reasonable control of the party in failure. However, any causes to be controlled by the relevant party including, but not limited to, delay in delivery from its sub-sellers and labor disputes in the premises of Seller and/or its sub-sellers shall not be considered to be a force majeure. Also in this preaches order, sanctions and currency fluctuations shall not be considered to be a force majeure.

15.2. Promptly upon the occurrence of any event under this Article which may result in a delay in the delivery of the Materials, Seller shall give Buyer the notice thereof, identifying such occurrence and the expected period of delay.

15.3. If the performance of any obligations under the PO is delayed due to such force majeure causes for any continuous period more than ninety (60) days, the party adversely affected by such failure or delay may terminate the PO upon giving notice to the other party.

Note: The sanctions are not regarded as Force Majeure.

ARTICLE 16: LIABILITIES AND INDEMNITIES

16.1. Seller agrees to defend, indemnify and hold harmless the Buyer, the affiliated companies of each, and their directors, officers, employees, agents and representatives, from and against any and all claims, demands, causes of action, liability, loss or expense arising from or relating to any actual or asserted:

a) Loss of or damage to the Materials and/or property of and/or death or injury to any third party, arising directly or indirectly out of or in connection with the performance of the PO regardless of the cause or causes thereof.

b) Failure by Seller to comply with this PO. This Article includes, but not limited to, fines or penalties by government authorities and claims arising from Seller's actual or asserted failure to pay taxes.

c) Injury to or death of persons (including employees of Buyer, Company, Seller and Seller's sub-sellers) or from damage to loss of property (including the property of Buyer or Company) arising directly or indirectly out of this PO or out of any act or omission of Seller or its sub-sellers. Seller's defense and indemnity obligations hereunder include claims and damages arising from non-delegable duties of Buyer or arising from use by Seller of construction equipment, tools, scaffolding or facilities furnished to Seller by Buyer or Company.

d) Contamination, pollution, or public or private nuisance, arising directly or indirectly out of this PO or out of any acts or omission by Seller or its sub-sellers.


16.2. Seller's indemnity obligations shall apply regardless of whether the party to be indemnified was concurrently negligent, whether actively or passively, excepting only where the injury, loss or damage was caused solely by the negligent or willful misconduct of, or by defects in design furnished by, the party to be indemnified. Seller's defense and indemnity obligations shall include the duty to reimburse any attorneys' fees and expenses incurred by the Buyer Or Company for legal action to enforce Seller's indemnity obligations.

16.3. In the event that any indemnity provisions in this PO are contrary to the Applicable Laws, then the indemnity obligations applicable hereunder shall be construed to be to the fullest extent allowed by Applicable Laws.

16.4. With respect to claims by employees of Vender or its sub-sellers, the indemnity obligations under this PO shall not be limited by the fact of, amount, or type of benefits or compensation payable by or for Seller, its sub-sellers under any workmen's compensation, disability benefits, or other employee benefits acts or regulations, and Seller waives any limitation of liability arising from workmen's compensation or such other acts or regulations.

16.5. Any rights and/or remedies reserved to Buyer in the PO shall be cumulative and in addition to any other or further rights and/or remedies available under the Applicable Laws or in equity.

ARTICLE 17: CONFIDENTIAL INFORMATION

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All information obtained by the SELLER related to BUYER'S affairs shall be considered as confidential and shall not be divulged to any third party. Such obligations shall be continuous and shall not lapse by expiration or termination of this PO. The disclosing party will be responsible for the loss/damages incurred by the other party.		
ARTICLE 18: ASSIGNMENT AND SUBLETTING		
The SELLER shall not assign or sublet this PO or any part thereof or interest therein or thereunder.		
ARTICLE 19: NON-INTERVENTION		
19.1. The Seller shall not breach "NON-INTERVENTION LAW" of government employees dated 22.10.1337 (Iranian calendar). In case any such intervention is encountered, it shall be construed a breach of PO.		
19.2. The Seller shall not transmit the contents of the PO to persons coming under the aforementioned law (related to non-absorption of government employees) or predictable wherefrom, nor absorb such persons.		
ARTICLE 20: SEVERABILITY		
The invalidity of any part/article of this PO may not affect the validity of entire PO and the effectiveness of the other terms and conditions thereof shall remain unaffected.		
ARTICLE 21: WAIVER		
The failure on the part of either of the Parties to exercise or enforce any right conferred on it by this PO shall not be deemed to be a waiver of any such right or operate so as to bar the exercise or enforcement thereof at any time or times thereafter.		
ARTICLE 22: TERMINATION		
22.1. The Buyer may, at its sole discretion, terminate all or any part of the works or the purchase order, with or without cause, at any time up to the expiration of the guarantee period by giving seven (7) days' prior notice to the Seller. Termination by Buyer in accordance with this provision shall not constitute a breach of the PO nor entitle Seller to any damages or claims except as expressly provided in the PO.		
22.2. In the event of a total or partial termination of the works or the PO without cause, but for Buyer's convenience only, Seller may claim only its properly supported out-of-pocket costs, all of which shall be determined in accordance with generally accepted accounting principles and procedures and Approved by Buyer. Title to the Goods/Materials and/or any part thereof, of which costs are included in the termination charges, shall pass to Buyer and Seller will be advised, in writing, what disposition shall be made with respect to such Materials or any part thereof.		
22.3. In the event Seller is adjudged bankruptcy or reorganization, makes a general assignment for the benefit of its creditors, or if a receiver is appointed on account of Seller's insolvency, or in the event Seller is in default of any provision or requirement of the PO and such default is not cured within the period Approved by Buyer (but not more than 14 days), Buyer may, by a notice to Seller, terminate the PO without prejudice to any other rights under the PO and/or the Applicable Laws.		
22.4. In the event of such termination, Buyer may complete the performance of the PO by such means as Buyer selects, and Seller shall be responsible for any additional costs incurred to Buyer in so doing. Seller shall deliver or assign to Buyer any works in progress, and/or Seller's sub-POs entered into by and between Seller and its sub-sellers, as Buyer may request. For the purpose herein, Seller shall in advance stipulate in Seller's sub-POs with its sub-sellers that the sub-seller shall be also obligated to agree upon such delivery or assignment in such case. Any amounts due to Seller for all Materials and/or the works completed by Seller in full compliance with the terms of the PO prior to such termination shall be subject to deduction or setting-off of Buyer's additional costs for completing the PO and other damages incurred to Buyer as a result of Seller's default.		
22.5. Without prejudice to any rights reserved to the Buyer under the PO or at law or equity, in case of the termination by the Buyer due to Seller's default, it is understood and agreed that the total amount covered by the performance bank guarantee shall be forfeited by the Buyer as a termination charge pursuant to the governing laws.		
ARTICLE 23: ETHICAL BUSINESS STANDARDS		
23.1. It is clearly agreed that save in cases explicitly mentioned in the PO, the Seller declares that with respect to the PO entered into with Buyer, there exists no middlemen nor any brokerage right or commission or that no such similar benefits have been offered nor will such offers be made. Should howsoever the contrary to the above be disclosed, then Buyer will have the right to terminate the PO due to the Seller's default and to confiscate the Guarantee.		
23.2. It is understood that under no circumstances the Seller is authorized to employ the official, semi-official, POual and redundant personnel who are in the employ of the petroleum ministry of I.R. of Iran or have been retired, dismissed, discharged or, resigned for less than 3 years from their jobs unless the prior approval from the parent Buyer's Managing Director of the aforesaid personnel, has been obtained.		
ARTICLE 24: APPLICABLE LAW		
This PO shall be subject to the laws of the Islamic Republic of Iran and relevant courts in the Islamic Republic of Iran shall have complete competence and jurisdiction in all cases.		

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General Conditions

ARTICLE 25: DISPUTES

25.1. All disputes and differences, of whatever nature, which may arise between the Parties from or in connection with the validity of the PO and performance of works and Services, Parties obligations and commitments under the PO and law, interpretation or termination of the PO and all the consequences thereof and any disputes related to the compensation, payment and/or manner of payment shall be settled by the good faith negotiations between the Parties. If no settlement is reached within one (1) months period, then the unsettled dispute(s) shall be referred to and settled solely by competent Iranian courts and no other court of any nation shall have jurisdiction over any dispute between the Parties.

25.2. In the event of disputes arising between Parties to this PO and in the process of settlement of disputes, the Seller shall continue to perform this PO without interruption and in accordance with terms and conditions stipulated.

ARTICLE 26: NOTICES

26.1. Notices and communications to Buyer and Seller required by the PO shall be given in writing and delivered by hand or by registered mail, return receipt requested (or equivalent thereof), telex or facsimile. Any such notices or communications shall be considered PO binding at midnight of the day during which such notice or communication is received. Notices through telex or facsimile shall be followed thereafter by confirmation in writing of the same notices.

26.3. When any such notice is sent by registered mail it shall be deemed to have been duly served following the expiration of seven (7) Days following the date of delivery to the post office.

ARTICLE 27: RESTRICTED PARTIES

Company managers and their immediate family members, as well as institutions and companies in which these individuals are board members, CEOs, or major shareholders (above one percent) of such institutions and companies, cannot be parties to transactions of the company.

ARTICLE 28: ANTI-MONEY LAUNDERING REPRESENTATION

In accordance with the Anti-Money Laundering Law passed by the Islamic Consultative Assembly on 2008, the Seller commits and obligates herself to:

- a- Refrain from any action that may lead to money laundering and observe the provisions of the aforementioned law and related regulations.
- b- Not to give third parties permission to use Seller bank accounts, banking services, and electronic banking tools.
- c- Ensure that the information provided to the buyer is based on Seller's latest changes.
- d- Notify the buyer of any changes in address, postal code, and other relevant changes, and provide the necessary documents to the legal authorities as well.
- e- Allow the Buyer to inquire about Seller's creditworthiness and money laundering status from relevant authorities, including the Central Bank, other banks, and financial and credit institutions if necessary.

ARTICLE 29: ENTIRE PO

27.1. This PO, together with all Appendix(es), Specifications, drawings and documents referred to herein and the other documents referred to therein, constitutes the entire PO and supersedes all prior understandings, negotiations, proposals, and writings, whether written or oral, with respect to such subject matter. No amendments to this PO shall be effective unless made in writing and signed by the duly authorized signatures of both Parties. Any reference to Seller's quotation, bid, or proposal does not imply acceptance of any terms, conditions, or instruction contained in such document.

27.2. Any invoice, acknowledgement or other communication issued by Seller in connection with this PO shall be construed to be for record only and accounting purpose only. Any terms and conditions stated in such communication shall not be applicable to this PO and shall not be considered to be Seller's exceptions to the provisions of this PO. Trade custom and/or trade usage is superseded by this PO and shall not be applicable in the interpretation of this PO.

27.3. All headings and numbering in this PO are for convenience of reference only and shall in no way be used in interpretation of any of the provision in this PO.

Appendix 2



Commercial Offer

Offer No: 0-Jan-00 PO NO:
 Offer Date: 0-Jan-00 PO Date:

SELLER: Business Licences/Registration NO: International Identity Code: Economic Code: Address: Tel: EUR 0.00 Fax: EUR 0.00	BUYER: Oil Exploration Operation Company Registration No: 143260 International Identity Code: 10101862356 Economic Code: 411131184514 Address: 2nd Floor, No. 234, Taleghani St., Tehran- Iran Tel: (+98) 21 883 183 60-70 Fax: (+98) 21 883 03 206
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Items	Description	QTY	Unit	Unit Price	Total Price	Remarks
1						
Total Price					\$0.00	
Shipping and Clearance Cost to Bandar Abbas						
Sub-Total Price (DDP):						
with VAT:						

Manufacture:
Country of Origin:
Payment Term:
Delivery Term/Time:

<i>Oil Exploration Operation Co. as Buyer</i>		<i>..... as Seller</i>	
Athorised by: Mehrbod Farhadi Position: Commerce Manager sign & stamp:	Athorised by: Hedayatollah Khademi Position: Chairman of the board sign & stamp:	Athorised by: Abdolmahdi Mojtahedi Position: Managing director sign & stamp:	Athorised by: Position: sign & stamp:

Appendix 3

PO NO:

PO Date:



Inspection Requirements

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